



NEWS RELEASE

COMMUNICATIONS OFFICE
DEPARTMENT OF ECONOMIC & COMMUNITY DEVELOPMENT
312 8TH AVENUE NORTH, 11TH FLOOR
NASHVILLE, TENNESSEE 37243
[HTTP://WWW.TNECD.GOV](http://www.tnecd.gov)

FOR IMMEDIATE RELEASE

July 23, 2009

Contact: Mark Drury, ECD
Office: (615) 532-8880
Cell: (615) 330-7587
E-mail: mark.drury@tn.gov

Contact: Sophie Moery, TN
Department of Revenue
Office: (615) 532-8961
E-mail: sophie.moery@tn.gov

COMMISSIONERS KISBER, FARR ANNOUNCE TNINVESTCO APPLICATION PROCESS *New Program Offers \$120 Million in Tax Credits to Firms Investing in Small Business*

NASHVILLE, Tenn. — Tennessee Economic and Community Development Commissioner Matt Kisber and Revenue Commissioner Reagan Farr today made public the application process for companies seeking to take advantage of the Tennessee Small Business Investment Company Credit Act which was signed into law by Governor Phil Bredesen on July 9, 2009. The act authorizes the state of Tennessee to issue up to \$120 million in tax credits to insurance companies who invest in one of six venture capital funds certified as “TNInvestcos” by the Tennessee Department of Economic and Community Development and the Tennessee Department of Revenue. The TNInvestcos are required to invest in small and start-up companies in Tennessee.

“This program marks a strong commitment to growing small business in Tennessee,” said Commissioner Kisber. “More than two thirds of companies in our state are small businesses and they are a significant driver of new job creation.”

“We’ve looked at models for similar programs in other states and developed a program uniquely focused on the needs of small business in Tennessee and the venture capital community,” said Commissioner Farr. “We’re fortunate in Tennessee that our governor is an entrepreneur who has started many successful businesses. Governor Bredesen’s leadership allowed us to create a program I believe will have real traction in creating jobs.”

ECD will begin accepting applications for TNInvestco certification on August 1, 2009 and the application period will close October 1, 2009. Each applicant will submit three copies of the application form, along with a non-refundable \$7,500.00 fee to:

State of Tennessee
Department of Economic and Community Development
Attn: Caleb Hemmer
312 Rosa L. Parks Ave., 11th Floor
Nashville, TN 37243

---more---

TNInvestco press release
2-2-2-2-2

The application document, FAQ’s and instructions are available on the ECD Web site at www.tnecd.gov. Certifications will be issued by the commissioners of ECD and Revenue.

To qualify as a TNInvestco, an applicant must:

- Be a for-profit or non-profit partnership, corporation, trust or limited liability company.

- Have an equity capitalization of at least \$500,000.
- Have at least two investment managers with at least five years investment experience.
- Have had a principal office in Tennessee for at least five years or have invested principally in Tennessee companies for five years.
- Demonstrate an ability to lead investment rounds, advise and mentor entrepreneurs and facilitate follow-on investments.

To receive funding from a TNInvestco, a company must:

- Be an independently owned and operated business.
- Must be headquartered in Tennessee, its principal business operations must be located in Tennessee and at least 60% of the company's workforce must be located in Tennessee.
- May NOT be involved in professional accounting, medical or legal services, banking or lending, real estate development, insurance, oil and gas exploration or direct gambling services.
- Must demonstrate a potential for high growth.
- Must employ no more than 100 employees.

Additional details of the program, along with application forms are available on the Tennessee Department of Economic and Community Development Web site.

About the Tennessee Department of Economic and Community Development

The Tennessee Department of Economic and Community Development's mission is to create higher skilled, better paying jobs for all Tennesseans. The department seeks to attract new corporate investment in Tennessee and works with Tennessee companies to facilitate expansion and economic growth. To find out more, go to www.tnecd.gov.

About the Tennessee Department of Revenue

The Department of Revenue is responsible for the administration of state tax laws and motor vehicle title and registration laws established by the legislature and the collection of taxes and fees associated with those laws. The Department of Revenue collects approximately 92 percent of total state tax revenue. To learn more about the department, log on to www.TN.gov/revenue.

###